

2007-2008 PERFORMANCE PLAN – CHIEF EXECUTIVE OFFICER (Buenrostro)

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	1 st Quarter Status
50%	Annual Plan Priorities	<p>By June 30, 2008 complete the following strategies to provide industry leadership and attain objectives as identified in Annual Plan Projects under the following major categories:</p> <p><u>Customer Service</u></p> <ul style="list-style-type: none"> Continue to implement the Customer Service Experience (CSE) enterprise strategy and methodology to include: Governance, Communication, Marketing, MyCalPERS Member Account profile. Implement recommendations from the Customer Contact Assessment to improve the quality of CalPERS customer services, as measured by performance measures and customer surveys. <p><u>Industry Leadership</u></p> <p>Sponsor, in cooperation with CalSTRS and the Los Angeles pension systems, an Economic Summit to demonstrate the value pension and health benefits and investments to the California economy.</p>	From Schedule	<p>On schedule and in progress.</p> <p>An enterprise-wide collaborative team has been established whose goal is to develop common definitions and a monitoring process to track the customer service experience from initiation to completion.</p> <p>Changes were made to the MyCalPERS project schedule due in part to a need to focus more attention and place a greater emphasis on data security. Additional scheduled releases were also established to increase functionality of the Annual Member Statements and 1099R's.</p> <p>A four year state-wide plan to expand the Retirement Planning Fairs has been developed along with a demographic analysis of where we should hold events based on our membership population. Currently developing a "branding" and a marketing strategy for customer outreach.</p> <p>Completed</p> <p>September 18 & 19, CalPERS, along with CalSTRS, LACERA, LACERS, LA Fire & Police, hosted the California Pension Fund Investments Conference "A Golden Opportunity". The Conference was well received with over 400 attendees, including 115 trustees.</p>

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	Annual Plan Priorities (cont.)	<p><u>Health</u></p> <ul style="list-style-type: none"> Ensure that employee and employer groups are appropriately involved / consulted to: <ol style="list-style-type: none"> (1) inform the membership on program changes approved by the Board, (2) advise on development of new program changes and directions, and (3) determine what utilization data can be shared with them during rate renewals. Continue staff efforts utilizing regional councils to inform and engage select communities regarding the cost of health care and what local members can do with CalPERS to make local health providers more accountable and responsive. Work with the Board and Health staff to develop and issue an RFP to secure an independent benefit consultant. Implement the recently initiated CalPERS-wide disease management program. This program when fully implemented will provide a consistent level of health outcomes, targets and member/provider incentives with respect to select major chronic conditions. Assess the feasibility of a single administration model for managing the CalPERS health program. Develop and release an RFI / RFP to gain information on the potential benefits and design of this approach. 		<p>Convened a meeting of the stakeholders and initiated discussions on this project. Follow-up discussions with both employer and employee groups to be held in December. Mercer Consulting has been engaged to provide options for data that can be shared with constituents. Board of Administration discussions on this topic to be held in December closed session.</p> <p>Regional Forum held in August in Solano County to address network changes. Annual plan for future regional forums and objectives to be achieved is being prepared by Blue Shield and staff for presentation to the Chief Executive Officer in December.</p> <p>Selection of the interim Board of Administration consultant completed in September.</p> <p>Mercer completed the Disease Management Plan and presented to the Health Benefits Committee. Periodic updates will be provided to the Board beginning with the January 2008 offsite.</p> <p>Request for Information will be released in October for the single administrator model. Interviews with the key respondents are expected in December or January.</p>

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule	1 st Quarter Status
20%	Special Projects	<p>Complete special projects identified by the Board, meeting performance objectives established by the Board at the time of assignment. This will include acting on emerging issues in a manner that maximizes the potential benefit and minimizes the risk to CalPERS. Report to the Board on actions taken.</p> <ol style="list-style-type: none"> 1. <u>Health Investment Initiative (HII)</u> Provide direction to ensure that the Innovation Review Committee is established in the Health Branch and that it is properly coordinated with the Alternative Investment Management (AIM) responsibilities. 2. <u>Health IT Strategy</u> Complete development of a Health Information Technology strategy designed to achieve universal electronic data exchange within and amongst CalPERS health care contractors within three years, with the objective of establishing CalPERS as a state and national leader in this area. 3. <u>Public Employee Post-Retirement Benefits Commission (Commission)</u> Direct staff assigned to the Public Employee Post-Retirement Benefits Commission in providing requested pension/health data and support to the commission and following up on recommendations and conclusions of the commission. 	From Schedule	<p>In Progress and On Schedule</p> <p>Work is currently underway to establish the Innovation Review Board.</p> <p>In Progress and On Schedule</p> <p>Staff are assessing the opportunities for introducing personal health records and arranging for a consultant to develop the longer term strategy.</p> <p>Staff continued to support the Commission's needs by providing information via written documentation and oral testimony. In addition, staff continues to attend each Commission meeting and report on each meeting to the Board of Administration and Executive Staff.</p>

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule	1 st Quarter Status
15%	Pension System Resumption Project (PSR)	<p>1. PSR By June 30, 2008, complete General System Design, implement the underlying technical architecture and commence application development.</p>	From Schedule	<p>In Progress and On Schedule</p> <p>The General Design and Technical Architecture Phases are progressing according to schedule. To date, more than 120 program and support area staff have participated in 315 design sessions. The Design Deliverables published as of August 23 include approximately 8,000 pages of detail.</p> <p>The PSR Communication Plan was approved on July 13 by the PSR Steering Committee. The Plan calls for regular meetings with the Employer Advisory Group to discuss policy changes and system design as part of the Team's external outreach efforts. Launched the "Lunch and Learn" series to keep executive staff apprised of key accomplishments and project status. Completed the first round of Branch and Division staff meetings in September.</p> <p>Held a celebration on July 26 to recognize the 300+ staff and consultants who were instrumental to the successful completion of Milestone 1.</p> <p>On August 1 CalPERS hosted a group from New York State and Local Retirement Systems to assist in their planning efforts for a system modernization project. On September 4 a similar but more technical briefing was conducted with the New York City Employees' Retirement System.</p>

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Qualitative Performance Measures (cont.)

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	Pension System Resumption Project (PSR) (cont.)	1. <u>PSR</u> (cont.)		<p>On September 21 a Proof of Concept assessing a second imaging management solution was completed.</p> <p>Another Proof of Concept was successfully conducted to test the data conversion concepts and process for converting the 15 million records on the Contribution Reporting Systems.</p> <p>On September 27 Work Authorization 5, which includes Public Agency Billing System, Complementary Annuitant Premium Program and Virtual Data Sharing Agreement was authorized.</p> <p>On September 28 Amendment 3, which included Work Authorization 3 and 4 was executed.</p> <p>On September 28 the Software Development Plan Deliverable was signed off.</p> <p>On September 28 a dependency matrix identifying all PSR related and enterprise projects was developed in an effort to align schedules, ensure critical activities occur according to plan and mitigate resource conflicts, key activities were incorporated into the PSR Project Schedule.</p> <p>Discussions were initiated with two external service providers: CitiStreet and First Data. Efforts to reach agreement with the State Controller's Office on a strategy to support</p>

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Qualitative Performance Measures (cont.)

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	Pension System Resumption Project (PSR) (cont.)	1. <u>PSR</u> (cont.)		<p>both agencies' development effort over the next two years continued.</p> <p>Data Clean Up Team continues to produce significant results; however, additional analysis indicated the number of errors requiring correction is two times greater than originally estimated. Based on recommendations from the PSR Team and the Business Owners Committee, the Steering Committee decided that all significant errors in the employer and participant records be corrected prior to implementation of the PSR solution in order to mitigate risk and ensure successful implementation. Funding to accomplish the additional workload is being requested via the mid year process.</p>
		<p>2. <u>Enterprise Transition Management (ETM)</u> By June 30, 2008, increase the awareness of purpose and benefits of ETM across CalPERS by providing change management training to 90 % of CalPERS' executives, managers, and supervisors by December 31, 2007. By January 31, 2008, establish curriculum for change management training for all other CalPERS staff. By June 30, 2008, ensure ETM objectives are met in the areas of change management training, current state assessment, classification review, and skills inventory.</p>		<p>In Progress and On Schedule</p> <p>Contract negotiations with the selected business partner, Expressworks International, ended on July 27.</p> <p>Expressworks International delivered Deliverable 1 which was comprised of a modified solution, a project management plan, a Deliverable Expectation Document Template and an updated schedule.</p> <p>Established a Steering Committee governance structure and has conducted its first meeting. Independent Project Oversight services have been procured.</p>

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Qualitative Performance Measures (cont.)

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	Pension System Resumption Project (PSR) (cont.)	2. <u>Enterprise Transition Management (ETM)</u> (cont.)		<p>Work has begin in the three main streams for the project:</p> <ol style="list-style-type: none"> 1. Training and Skills Assessment 2. Communications and Stakeholder Analysis 3. Transition Management <p>Stakeholder engagement has begun for the conceptual organizational design, skill assessment and communications. The project team has also begun planning for training logistics.</p>
15%	Enterprise Leadership and Management Communication	<p>By January 2008, complete a follow up employee survey and assess progress from 2005 survey. By June 30, 2008, identify new and/or continuing areas of improvement and develop an action plan to address these areas.</p> <p>By June 30, 2008 develop a comprehensive career development program to provide employees the knowledge and abilities necessary for successful advancement at CalPERS.</p> <p>By June 30, 2008 develop a plan for furthering our position as a destination employer by:</p> <ul style="list-style-type: none"> • Surveying current employees • Survey local firms for best practices • Develop programs to provide more work life balance 	From Schedule	<p>In Progress and On Schedule</p> <p>The Employee Survey was distributed to staff and responses were received by approximately 78% of the staff by September 28.</p> <p>A matrix was created that identifies all career development programs CalPERS currently has in place. It will be utilized to identify key areas to focus on for the overall program. In addition, CalPERS career ladders document has been completed and discussions have taken place with Buck Consultants to determine how this data can be transported into a web-based career planning tool for employees to utilize in order to map career moves and identify competencies necessary to progress in a chosen career path. Discussions have also taken place to determine how Human Resources can do a better job marketing existing career development programs.</p>
100%	Total	Qualitative Measures		